October 5, 1989

Arthur Forcier 11783 Laurelcrest Dr. Studio City, CA 91604

> Re: Your Requests for Informal Assistance Our File Nos. I-89-494 and I-89-513

Dear Mr. Forcier:

You have requested advice concerning the campaign provisions of the Political Reform Act (the "Act"). $^1$ / Your letters ask several general and hypothetical questions. Accordingly, we consider them to be requests for informal assistance pursuant to Regulation 18329(c) (copy enclosed). $^2$ /

## QUESTIONS

You have asked if a PAC<sup>3/</sup> could give up to \$2,500 to another PAC under the following circumstances:

<sup>1/</sup> Government Code Sections 81000-91015. All statutory references are to the Government Code unless otherwise indicated. Commission regulations appear at 2 California Code of Regulations Section 18000, et seq. All references to regulations are to Title 2, Division 6 of the California Code of Regulations.

<sup>2/</sup> Informal assistance does not provide the requestor with the immunity provided by an opinion or formal written advice. (Section 83114; Regulations 18329(c)(3).)

<sup>3/</sup> For purposes of this discussion, we will assume that your letter is referring to "general purpose recipient committees" as defined in Sections 82013(a) and 82027.5, which qualify as "political committees" (Section 85102(c)) or "broad based political committees" (Section 85102(d)) for purposes of the contribution limitations.

File Nos. I-89-494 and I-89-513 Page 2

- 1. The donating and recipient PACs give contributions to the same candidates;
- 2. The donating PAC gave a maximum amount to some of the candidates endorsed by both PACs; and
- 3. Both PACs share the same treasurers, accountants and campaign consultants or advisors.

## DISCUSSION

The Act does not prohibit PACs from making contributions up to \$2,500 per fiscal year to other PACs which make contributions to the same candidates, or from sharing the same treasurer, accountant or advisors. However, if the same person or a majority of the same persons in fact directs and controls the decisions of two or more entities to make contributions or expenditures to support or oppose candidates for elective office, those entities are considered one person, one political committee, or one broad based political committee for purposes of the contribution limitations. (Section 85312; and Regulation 18531.5, copy enclosed.)

If you have any questions about this letter, please call me at (916) 322-5662.

Sincerely,

Kathryn E. Donovan General Counsel

By: Wayne P. Imberi

Political Reform Consultant

KED:WPI:eab

Enclosures

August 17, 1989

Fair Political Practices Committee P.O. Box 807 428 5th Street, Suite 800 Sacramento, CA 95804-0807

To Whom It May Concern:

I understand that, at least prior to July 1, 1989:

- 1) A PAC could give up to \$2,500 to another PAC.
- 2) This could be done even though the recipient PAC was supporting many of the same candidates as was the donating PAC.
- 3) This could be done even though the donating PAC had given a maximum amount to some of the candidates that had been endorsed by both PACs.
- 4) This could be done even though both PACs had the same accountants and/or treasurers and/or sometimes received campaign advice from the same people, the accountants and/or treasurers and/or campaign advisors not being in control of either PAC but rather resource persons.

I also understood that the PACs had to be independent of one another and that independence meant that the same majority could not control both PACs.

Are my understandings correct? If not please inform me as to the correct policy.

Sincerely.

Arthur Forcier

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